

**GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & C.A.D. (IW:ARB) DEPARTMENT**

Memo.No.25905/ARB/07, \_\_\_\_\_ Dt. \_\_\_\_\_  
3.10.2007

Sub: I&CAD (IW) Deptt., - SUITS - Settlement of Decretal amount in O.S.No.18/2000 - work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87 - Further report called for.

Ref: This Deptt.'s D.O.Lr.No.25905/ARB/07,  
Dt.12.9.2007.

\*\*\*\*

The attention of the Engineer-in-Chief (I.W.) & Chief Engineer (FAC), Priyadarshini Jurala Project, is invited to the reference cited and he is requested to furnish detailed report as already called in D.O.Lr. dt.12.9.2007 in addition to the following points:-

1. Whether any permission has been given by Government to use the sand from nearest bank of the river/Govt. land at the time of execution of work, if not how the contractor procured the material.
2. Whether any permission has been given by Government to use the block rock from nearest quarry of Government at the time of execution of work, if not how the contractor procured the material.

An early reply in the mater is urgently required.

**A.K. JAIN,  
SPECIAL SECRETARY TO GOVERNMENT**

To:  
The Engineer-in-Chief (IW) & Chief Engineer (FAC),  
Priyadarishini Jurala Project,  
Irrummanzil,  
Hyderabad.

// FORWARDED :: BY ORDER //

SECTION OFFICER

SUMMARISING NOTE

It is submitted that a representation has been received from Sri Allam Subba Rayudu, contractor, with a request to settle his pending claims since 1988 by way of conciliation within three months as per the High Court Order Dt.29.3.2007 towards construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87.

Sri Allam Subba Rayudu in his representation submitted that the work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal, was awarded to him vide Agt.No.5/86-87, Dt.5.2.87. During the course of execution of work, certain disputes have been raised between the parties. (i.e., Govt. and contractor). As they remained unsettled. Sri Allam Subba Rayudu, contractor, further submitted that he has filed petition vide O.S.No.18/2000 in Senior Civil Judge, Gadwal. The Senior Civil Judge decreed the suit on 9-6-2003 for a sum of Rs.9,17,291/-. Subsequently the Government filed petition vide A.S.No.3756/2003 against the decree in Hon'ble High Court while granting stay of the execution of the decree, the Hon'ble Court directed the Government to deposit Rs.5.00 lakhs and permitted to withdraw  $\frac{1}{2}$  of the deposit amount without security and the balance amount with security. He has withdrawn only  $\frac{1}{2}$  of the amount i.e., Rs.2.5 lakhs and the balance is the deposit to the credit of O.S.NO.18/2000.

In this connection, Sri Allam Subba Rayudu submitted that his age is 67 years and has undergone Heart Surgery. The claims are pending since 1988. Due to old age, Sr. Citizen and not in a position to prosecute and pursue the case, apart from my financial constraints. He has therefore requested the Government to settle the case at one time

settlement as is being done in the similar cases and as directed by the Hon'ble High Court in A.S.No.3756/03, Dt.29.3.2007. He has further submitted that he has expressed his willingness for amicable settlement. He has also submitted that Hon'ble High Court order dt.29.3.2007 has not been received from High Court so far. Soon after receipt of the High Court order the same will be placed before Government.

In view of the above position, it is submitted that Sri Allam Subba Rayudu has requested the Government he has become old and unable to prosecute and pursue the case. He has therefore submitted that he would like to settle the case as one time settlement as was done in the similar cases and as directed by the Hon'ble High Court Order Dt.29.3.2007.

**In this connection, it is submitted that High Court of A.P. (Divisional Bench) opined that regarding the long lapse of time and pendency of the Proceedings all along, it would suffice in the interest of justice and also in the interest of both parties to make an effort of conciliation to the effect of settlement.**

**The Hon'ble High Court therefore directed the Government an attempt can be made by directing**

**the respondents claimants to approach the Prl. Secretary of the concerned Department by filing appropriate comprehensive representation on behalf of claimants. On filing of which the said authority shall hear both sides after giving notice and opportunity and make one effort to conciliate and settle the claims. The respondents -claimants shall file the said representation within a period of three weeks from today and the Principal Secretary of the said authority shall conciliate the meetings and try to settle the matter within three months thereafter.**

**The A.P. High Court further ordered that the parties are at liberty to approach this court either by way of filing final settlement which would be arrived at between parties or the failure report on the basis of which necessary orders will be disposed of the matter on merits if it warrants.**

**The A.G., A.P. has also informed to the Government vide letter No.618/2007, Dt.16.7.07 that some matters are pending from 1989 onwards and are pending since 1995. The contractors are made certain claims and damages against Government and where the matters were referred to Arbitrator. Awards were passed in favour of contractor against the Government when the said awards were challenged by the Government in City Civil Court by filing original petitions the Civil Court dismissed the petitions filed by the Government and made the awards “rule of Court”.**

**In large number of cases, the Arbitrators have granted interest at the rate of 24% and in some cases at 18% per annum. The Government have filed CMAs and CRPs challenging the Judgement of the civil Courts which refused to set aside the awards on various grounds. In view of the pendency for nearly two decades in the High Court and in view of grant of interest at exorbitant rate of interest at 18%, the Government would be losing heavily in case if the appeals filed by the Government are dismissed. In view of the long pendency of these matters, and in the interest of Government, and to put a quietus to the long pending litigation, he suggested that a Committee headed by the Prl. Secy. of the concerned Department be constituted for attempting an amicable settlement and if the Contractors come forward, for negotiations by a comprehensive representation, the Committee can negotiate and arrive at a settlement which will be beneficial to Government and huge burden on Government exchequer by way of interest alone could be saved.**

Since the Hon'ble High Court kept open the issue to be decided on merits if conciliation fails, the Government will not lose anything, as the Hon'ble High Court observed, that the interim orders passed in favour of the Government continue to operate till final disposal of conciliation proceedings and thereafter also.

As explained in the earlier paras it is submitted that a detailed report in addition to the following to the points has been called for from the E-N-C, Irr.Wing. & C.E., FAC, PJP

Circle, Hyd., vide D.O.Lr. Dt. 12.09.2007 for taking further course of action. The reply from the Engineer-in-Chief is awaited.

1. How much amount has been sanctioned by the Govt. for construction of B.T.U.T. Km.8.525 of Righ Main Canal of Priya Darsini Jurala Project Gadwal and for how much amount technical sanction has been given?
2. Date of calling tenders, finalization of tenders, date of commencement of agreement , date of execution of work and date of completion of work.
3. The petitions filed by concerned authority (i.e., C.E./S.E.) and contractor in the Senior Civil Judge, City Civil Court, Hyderabad and in the Hon'ble Hih court.
4. How much amount has been paid to Sri Allam Subba Rayudu, Contractor and the particulars of balance etc.
5. The circumstances raised for arbitration case.
6. Whether the petitioner will come in to the purview of Arbitration Act as the petition has already drawn  $\frac{1}{2}$  of amount from deposited amount in High Court.
7. Copy of High Court order dt.11.7.07 in A.S.No.3756 of 2003.
8. Whether any permission has been given by Government to use the sand from nearest bank of the river/Govt. land at the time of execution of work, if not how the contractor procured the material.
9. Whether any permission has been given by Government to use the block rock from nearest quarry of Government at the time of execution of work, if not how the contractor procured the material and intimate if any .C. cases are pending against the proposal.
10. Any Vigilance cases are pending against the proposal.

In view of the position explained in the earlier paras and to avoid further legal complications it is for orders whether a Committee may be constituted as advised by the Advocate General, A.P., Hyderabad.

Copy of the D.O.Lr.No.25905/ARB/07, Dt.06.02.2008  
addressed to Sri M.K. Rahman, Engineer-in-Chief, I.W.& C.E.,  
FAC, Priyadarshini Jurala Project, Errummanzil, Hyderabad  
from the Spl. Secretary to Government I&CAD Department,  
A.P. Secretariat. Hyderabad.

Dear Sir,

Sub: I&CAD (IW) Deptt., - SUITS - Settlement of Decretal amount in O.S.No.18/2000 - work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87 - Detailed report called for.

Ref: 1. Reprn. received from Sri Allam Subba Rayudu, Contractor, Dt.16.8.2007.  
2. Govt. D.O.Lr.No.25905/ARB/07, Dt.12.9.2007.  
3. Govt.Memo.No.25905/ARB/07, Dt.3.10.2007.

\*\*\*\*

Vide reference second cited above, you have been required to furnish a detailed report based on the orders of Hon'ble High Court to settle the case within prescribed time by referring it to the region-wise Committee formed for conciliation. Though three months have passed, but no report has been received from you in this regard.

2. I therefore request you to look into the matter personally and furnish a report to Government by 20-2-2007 to avoid further legal complications in the matter.

3. The letter may kindly be acknowledged.

With regards,

Yours sincerely,  
Sd/- x x x,  
(A.K. JAIN)

To:  
Sri M.K. Rahman,  
Engineer-in-Chief, I.W., & Chief Engineer, FAC,  
Priyadarshini Jurala Project,  
Errummanzil,  
Hyderabad.

// TRUE COPY //

SECTION OFFICER



D.O. Lr.No.25905/ARB/07, Dt.27.2.2008

Dear Sri

Sub: I&CAD (IW) Deptt., - SUITS - Settlement of Decretal amount in O.S.No.18/2000 - work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87 - Further report called for.

Ref: This Deptt.'s D.O.Lr.No.25905/ARB/07, Dt.12.9.2007 & reminded on 6.2.2008.

\*\*\*\*

Please refer to the reference cited. I request you to look into the matter personally and furnish report to Government immediately by 29.2.2008 positively.

With regards,

Yours sincere,

(A.K. JAIN)

To:  
Sri R. Prabhakar Reddy,  
Chief Engineer,  
Priyadarshini Jurala Project,  
Errummanzil,  
Hyderabad.

MOST IMMEDIATE

**GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & C.A.D. (IW:ARB) DEPARTMENT**

Memo.No.25905/ARB/07

Dt.27.3.2008

Sub: I&CAD (IW) Deptt., - SUITS - Settlement of Decretal amount in O.S.No.18/2000 - work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87 - Constitution of Committee for negotiations and for assessing exact amount of payment to the contractors and Orders - Issued.

- Ref:
1. Letter received from Sri C.V.Mohan Reddy, Advocate General, Letter No.618/2007, Dt.16.7.2007.
  2. Hon'ble High Court of Judicature A.P., Hyderabad, orders dated.29.3.2007 in A.S.No.3756/2003.
  3. G.O.Rt.No.103, I&CAD (IW:ARB) Deptt., dt.24.1.2008.
  4. G.O.Rt.No.319, I&CAD (IW:ARB) Deptt., Dt.12.3.2008.
  5. Reprn. received from Sri Allam Subba Rayudu, Contractor, Yusufguda, Hyderabad - 500045, dt.16.8.07.

\*\*\*\*\*

In the reference first cited, Advocate General, High Court of Andhra Pradesh, Hyderabad has suggested to constitute Committee for negotiating with the contractor for an amicable settlement within a period of 3 months as directed by the Hon'ble High Court of A.P. Dt.16.7.2007. In the reference third cited, Government have issued orders for constituting the region wise committees.(copy enclosed).

2. As per the orders of Government, the Government have constituted the Committee for Telangana Region to negotiate with the contractor for an amicable settlement with the following Officers:-

- |                                                |    |
|------------------------------------------------|----|
| 1. Engineer-in-Chief, Admn. Wing.,             | -- |
| Chairman/Convenor                              |    |
| 2. Advisor, Telangana Region.                  | -- |
| Member                                         |    |
| 3. Chief Engineer, Minor Irrigation.           | -- |
| Member                                         |    |
| 4. Sri. G.V.Krishnaiah, Director, (W.&A) (Rtd) | -- |
| Member                                         |    |

3. The above officers are requested to make an effort for conciliation for settlement of the case within one month. The above Officers are also requested to examine the report furnished by the Chief Engineer, Priyadarshini Jurala Project, Hyderabad, pertaining to this case.

4. The Chief Engineer, Priyadarshini Jurala Project, Hyderabad, is requested to present the case before the Committee. The Chairman/Convenor of the Committee is requested to fix the date for conciliation duly inviting to the concerned party and send a report to the Chief Engineer, Priyadarshini Jurala Project, Hyderabad under intimation to the Government along with the recommendations of the Committee. After conciliation, the Chief Engineer, Priyadarshini Jurala Project, Hyderabad, will send a detailed report along with his specific remarks to Government for further necessary action.

P.T.O.

:: 2 ::

5. The nominated officers are requested to acknowledge the receipt of this Order.

**S.P. TUCKER,  
PRINCIPAL SECRETARY TO GOVERNMENT**

To  
The Engineer-in-Chief, Admn. Wing, Hyderabad.(w.e)  
The Chief Engineer, Minor Irrigation, Hyderabad.(w.e)  
The Advisor, Telangana Region, Secretariat Buildings, Hyderabad.(w.e)  
**Sri. G.V. Krishnaiah, Director, Works and Accounts (Retd)**  
**Plot No. B-25 (HUDA), Saroornagar, Huda Complex, Hyderabad 500 025, Ph.No.24043616**  
Copy to:  
The Chief Engineer, Priyadarshini Jurala Project, Hyderabad. (w.e)  
The Finance (W&P) Department.  
Sri Allam Subba Rayudu, Contractor, Yusufguda, Hyderabad - 500045, with a request to approach the Chairman - Convenor with relevant records.  
P.S. to Spl. Secy./P.S. to Prl. Secretary to Government.

// FORWARDED :: BY ORDER //

SECTION OFFICER

(C.No.25905/ARB/08)

**Irr. & CAD(IW:ARB) Deptt.**

Please see the Orders of the Hon'ble High Court for attempting conciliation in opinion No.67/2008 dt.4-6-2008 at P.175 cf and the section's note at pp.4-8 ante may also be seen.

The Advocate General High Court has stated in opinion No.67/2008, dt.4-6-08 keeping in view of the large number of cases pending before the Government, it is open for the Government to constitute appropriate expert committees for conducting preliminary negotiations with the contractor and place the same before the concerned Principal Secretary, who ultimately will finalize by conducting final negotiations and settle the long pending disputes. The A.G. has further stated that the concerned Prl.Secretary is the final authority to settle the matters finally and not the committee constituted to assist the Prl.Secretary.

In this connection it is submitted that a meeting has been convened in the Chambers of Prl.Secretary on 26-6-08 regarding arbitration cases pertaining to Telangana Region.

In the above meeting, conciliation is made between Contractor and Govt. i.e. Prl. Secy., I&CAD. The contractor , Sri Allam Subbarayudu has given his declaration and acceptance the total amount of Rs.7,00,000/- (Rupees seven

lakhs only) as final settled amount after conciliation the Prl, Secretary, I&CAD on 26-6-2008.

In view of the above, it is submitted that the CE, Priyadarshini Jurala Project, Hyderabad may be requested to furnish the Detailed Head of Account under which the above expenditure met.

Subject to orders a draft Memo is submitted below for approval.

GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & CAD (IW-ARB) DEPARTMENT

Memo.No.25905/ Irr & CAD(IW-ARB)/2007     Dt.14 -  
7-2008.

Sub: I&CAD (IW) Deptt., - SUITS - Settlement of Decretal amount in O.S.No.18/2000 - work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87 - Detailed Head of Account - Called for - Reg.

Ref: 1. Reprn. received from Sri Allam Subba Rayudu, Contractor, Dt.16.8.2007.  
2. Govt. D.O.Lr.No.25905/ARB/07, Dt.12.9.2007.  
3. Govt.Memo.No.25905/ARB/07, Dt.3.10.2007.  
4.From the ENC  
AW/IW)Hyd.Lr.No.ENC/IW/P&M/EE.1/  
DEE 8/300108/08 -4, dt.4-6-08.  
5. From the ENC AW/IW)Hyd.,  
Lr.No.ENC/IW/P&M/EE.1/

DEE 8/300108/08, dt.27-6-08.

\*\*\*

The attention of the Chief Engineer, Priya Darshini Jurala Project, Hyderabad is invited to the reference 5<sup>th</sup> cited (Copy enclosed). He is informed that the contractor after final conciliation on 26-6-2008, in the chambers of Prl. Secretary, I & CAD, the contractor has further accepted for reducing amount from Rs.7,40,512/- to 7,00,000/-. Hence, he is requested to furnish the Detailed proposal along with Head of Account under which the above expenditure to be met to Government to take further action.

A.K. JAIN  
SPECIAL SECRETARY TO GOVERNMENT

To  
The Chief Engineer  
Priyadarshini Jurala Project  
Hyderabad (W.e)  
SF/SC

// FORWARDED BY ORDER //

SECTION OFFICER

**(Issued as Govt. Memo.No 25905/ Irr & CAD(IW-  
ARB)/2007  
Dt.14-7-2008)**

**(From the CE, (P) Mahaboob Nagar Lr.No.CE(P)/DCE  
I/ OTS/AEE  
2/Arbitration/2008, dt.28-6-3008.**

\*\*\*

25. Please see the above references at PP 31 & 39 to 47 cf.

26. The Government Memo dt.14-7-2008, the Chief Engineer, Priyadarshini Jurala Project, Hyderabad was informed that the Contractor after final conciliation on 26-6-2008, with Prl.Secretary, I&CAD , the contractor has further accepted for reducing amount from Rs.7,40,512/- to 7,00,000/- He is

requested to furnish the Detailed proposal along with Head of Account.

27. The Chief Engineer (P), Mahaboob Nagar in his letter dt.28-6-2008 has stated that there is no provision available in the Budget Estimate 2008-09 under the Head of Account ie., I "4701- Major irrigation - MH (122) - Jurala Project - SH(27) - Canal and Distributaries - 530 /531 O.E(Charged) .

28. The Chief Engineer (P) has further stated that the LOC may be released initially from the State Contingency Fund and may be re appropriated to the above Head of Account from any of the project, as no surplus funds are available in other Heads of Jurala Project.

29. In view of the above position stated by the CE(P) Mahaboob Nagar, the file may be sent to Finance Department for acceptance.

31. Please see the Orders of the Hon'ble High Court for attempting conciliation in opinion No.67/2008 dt.4-6-2008 at P.29 cf and the section's note at pp.4-8 ante may also be seen.

32. It is submitted that a representation has been received from Sri Allam Subba Rayudu, contractor, with a request to settle his pending claims since 1988 by way of conciliation within three months as per the High Court Order Dt.29.3.2007 towards construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87.

33. The Advocate General, High Court of A.P. has stated that the Prl. Secretary is the final authority to settle the matters finally and not the committee constituted to assist the prl. Secretary.

34. The Engineer-in-Chief vide his letter dt.4-6-2008 has informed that during the meeting held by the committee on 21-5-08, the contractor has accepted for an amount of Rs.7,40,512/-. After final conciliation with the Prl. Secretary, I & CAD on 26-6-08, the Contractor Sri Allam Subbarayudu has

given his declaration and acceptance the total amount of Rs.7,00,000/- as final settled amount.

35. While furnishing the Head of Account, the CE (P), Mahabubnagar has stated that the LOC may be released initially from the State Contingency Fund and may be re-appropriated to the above Head of Account from any of the project, as no surplus funds are available in other Heads of Jurala Project.

36. When consulted the Finance (W&P) Department has opined that to take action for issue of sanction order to the expenditure of Rs.7.00 lakhs towards final settlement, for the works under Jurala Project Right Main Canal. The expenditure shall be met from the provision of Rs.675.00 lakhs made in B.E. 2008-09 under "4701-01-122-GH.II-(27)-530/531 O.E" which may be seen at para 30 ante.

37. Now, the file may be sent to LAW Department for their acceptance before circulation.

#### **NOTE FOR CIRCULATION**

44. The file deals with the matter relates to Sri Allam Subbarayudu, Contractor. Based on the orders of Hon'ble HighCourt in A.S.No. 3756/03, dt.29-3-07, the contractor has represent to the Government that the work of Construction of B.T.U.T. at KM.8.525 of Right Main Canal of Priya Darshinbi Jurala Project, Gadwal was entrusted to him under L.S. Agreement No.26/86-87, dt. 5-2-1987, for the value of work Rs.11,44,376 @ 21.38% Less than E.C.V. of Rs.14,55,621 and further Agt. Was concluded for Rs.1,78,517/- thus the total



value of contract is Rs.13,22,893/-. As per the agreement, the work was to be completed by 4-8-1988, from the date of handing over site (5.2.87). At the time of execution of work certain disputes has been raised between Government and contractor. The Contractor has filed a petition in the court of the IV Additional Judge, Civil Court, Hyderabad for appointment of Sole Arbitrator. The learned Judge, appointed Sole Arbitrator to resolve the dispute. The Department filed CMP in Hon'ble High Court of A.P., and obtained stay orders and the Agency was directed to file a regular civil suit. After hearing both the sides, the Hon'ble Senior Civil Judge, Gadwal by Judgment in the civil suit on 9-6-1993 decreed the suit in part for a sum of Rs.9,17,291/-.

45. As per the directions of the Hon'ble High Court in its orders dt.29-3-07 in A.S No.3756/03 in O.S.No.18/2000 and the suggestions of Advocate General Vide Lr.No.618/07 dt.16-7-07, a committee for Telangana Region was constituted for an amicable settlement.

46. The committee in its report has stated that the the contractor has accepted for an amount of Rs.7,40,512/-. After final conciliation with the Prl. Secretary, I & CAD on 26-6-08, the Contractor Sri Allam Subbarayudu has given his declaration and acceptance the total amount of Rs.7,00,000/- as final settled amount.

47. While furnishing the Head of Account, the CE (P), Mahabubnagar has stated that the LOC may be released initially from the State Contingency Fund and may be re-appropriated to the above Head of Account from any of the project, as no surplus funds are available in other Heads of Jurala Project.

48. The remarks of the Finance Department at para 30 ante and the acceptance of the LAW Department at paras 38-43 may kindly be perused.

49. In view of the above, it is for orders whether the proposal of the ENC(I) may be agreed to and accord sanction for an amount of Rs.7,00,000/- towards final settlement. Accordingly, a Draft Order is submitted below for approval.

50. With reference to the remarks of the Finance (W&P) Department at Para 30 on P.11 ante, the file may be sent to Finance (BG) Department for scrutiny of the Draft Order, before circulation to Hon'ble Chief Minister through M (M&MI).

**DRAFT**

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Irrigation &CAD (IW) Department - SUITS - Settlement of Decretal amount in O.S.No.18/2000 - work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87 - Sanction of Rs.7,00,000/- (Rupees Seven lakhs only) - Orders - Issued.

-----

-----

**IRRIGATION & C.A.D. (IRRIGN.WING: ARB) DEPARTMENT**

G.O.Rt.No.  
2008.  
following:-

Dt. -11-  
Read the

1. Repn. received from Sri Allam Subbarayudu, Contrctor, Hyderabad, dt.16-8-07
2. High Court order dt.29-3-2007 in AS.No.3756/03 in OS.No.18/2000.
3. G.O.Rt.No.103, I&CAD (IW:ARB) Deptt., Dt.24.1.2008.
4. Govt.Memo.No.25905/ARB/07, I&CAD (IW:ARB) Deptt. Dt.27-3-2008.
5. From the ENC(I), I&CAD,Hyd. Lr.NO.ENC/IW/P&M/EE1/DEE.8/300108/08-4, dt.4-6-08.
6. From the CE(P), Mahabubnagar, Lr.No.CE(P)/DCE1/OT8/AEE2/ARB/08, dt.28-6-08.

\*\*\*

O R D E R :

In the reference first read above, Sri Allam Subbarayudu, Contractor has represented to the Government for settlement of Decretal amount in O.S.No.18/2000 towards the work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87. During the execution of work certain disputes have arisen between the contractor and the Government. Sri Allam Subbarayudu, filed an appeal in the Hon'ble High Court of A.P. under section 96 of CPC against the judgment and decree dt.9-6-2002 in O.S.No.18/2000 on the file of the court of Sr.Civil Judge, Gadwal. The judgment of the Hon'ble High Court order dt.29-3-2007 in A.S.No.3756/03 in O.S.No.18/2000 pronounces **that the respondents want to make representation to the Government, praying to consider their case for settlement out side the Court. No doubt, if there is any possibility to settle the matter out side the Court, this Court would not stand in the way of any such settlement between the perties.**

...pto

2. The request of Sri Allam Subbarayudu vide reference 1<sup>st</sup> read above for amicable settlement of the case for one time settlement has been examined carefully in the I & CAD Department as per the directions of Hon'ble High Court of Andhra Pradesh and the matter has been referred to the committee constituted vide reference 4<sup>th</sup> read above for examination and conciliation in terms of the reference 3<sup>rd</sup> read above. The Committee had conducted conciliation meetings and negotiated with the contractor. Finally, the Prl.Secretary, I & CAD Department who is the final authority has conducted conciliation meeting and negotiated with the contractor. After final conciliation by Prl. Secretary, the contractor Sri Allam Subbarayudu has accepted to settle down to an amount of Rs.7,00,000/- (Rupees seven lakhs only) as a lumpsum towards balance full and final amount (Prl. & Interest) and furnished a notarized declaration accepting the above negotiated amount in respect of the work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal under Agt.No.5/86-87, Dt.5.2.87 and also to withdraw all legal proceedings in the Hon'ble High Court of A.P. or in any Court in respect of the above said work.

3. The Government, after careful examination of the report of ENC(I), Hyderabad and Chief Engineer (P), Mahabubnagar Vide references 5<sup>th</sup> & 6<sup>th</sup> read above and as per the final conciliation held by the Prl. Secretary, I & CAD Department, hereby accord sanction for an amount of Rs.7,00,000/- (Rupees Seven lakhs only) towards full and final settlement in respect of the said work. The said amount shall be debited to the following Head of Account:

**"4701 -01-122-GH.11- (27) - 530/531 O.E. ".**

4. **The Chief Engineer(Projects), Mahabubnagar** is directed to arrange to pay the **amount of Rs.7,00,000/-** (Rupees **Seven lakhs** only) to **Sri Allam Subbarayudu, contractor** duly deducting the **income tax and seigniorage charges if any.**

5. This order issues with the concurrence of Fin. (W&P) Department vide their U.O.No.3831/F2(2)/08-2, Dt.22-9-2008.

To:

The Engineer-in-Chief, Admn.Wing. Hyderabad.

The Chief Engineer (Projects), I & CAD Deptt., Mahaboobnagar

The Superintending Engineer, Priyadarshini Jurala Project Circle, Pebbair, Mahabubnagar District.

The Director of Treasuries and Accounts, Hyderabad.

The Pay & Accounts Officer, Gadwal, Mahabubnagar District.

The Dy. Pay & Accounts Officer, Secretariat Branch, Hyderabad.

Sri Allaam Subbarayudu, Contractor, Plot No.101, Maini Residency,

8-3-229/C/10/101, Yousufguda, Hyderabad - 500 045.

Copy to:

The I&CAD (P&B) Deptt., with a request to release LOC for the Sanctioned amount.

The Accountant General, Andhra Pradesh, Hyderabad.

The Fin.(W&P/B.G) Deptt., with a request to release LOC for the

Sanctioned amount.

SF/SC.

### **ABSTRACT**

Irrigation &CAD (IW) Department - SUITS - Settlement of Decretal amount in O.S.No.18/2000 - work relating to construction of B.T.U.T. at Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal Taluk under Agt.No.26/86-87, Dt.5.2.87 - Sanction of Rs.7,00,000/- (Rupees Seven lakhs only) - Orders - Issued.

-----

### **IRRIGATION & C.A.D. (IRRIGN.WING: ARB) DEPARTMENT**

G.O.Rt.No.  
2009.  
following:-

Dated: -01-  
Read the

1. Repn. received from Sri Allam Subbarayudu, Contractor, Hyderabad, dated 16-8-07
2. High Court order dt.29-3-2007 in AS.No.3756/03 in OS.No.18/2000.
3. G.O.Rt.No.103, I&CAD (IW:ARB) Deptt., Dt.24.1.2008.
4. Govt.Memo.No.25905/ARB/07, I&CAD (IW:ARB) Deptt. Dt.27-3-2008.
5. From the ENC(I), I&CAD,Hyd. Lr.NO.ENC/ IW/P&M/EE1/ DEE.8/300108/08-4, dt.4-6-08.
6. From the CE(P), Mahabubnagar, Lr.No.CE(P)/DCE1/OT8/ AEE2/ ARB/08, dt.28-6-08.

\*\*\*

### **ORDER:**

In the reference first read above, Sri Allam Subbarayudu, Contractor has represented to the Government for settlement of Decretal amount in O.S.No.18/2000 towards the work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal Taluk, under Agt.No.26/86-87, dated 5.2.87.

2. During the execution of work certain disputes have arisen between the contractor and the Government. Sri Allam Subbarayudu, filed an appeal in the Hon'ble High Court of A.P. under section 96 of CPC against the judgment and decree

dt.9-6-2002 in O.S.No.18/2000 on the file of the court of Sr.Civil Judge, Gadwal. The judgment of the Hon'ble High Court order dt.29-3-2007 in A.S.No.3756/03 in O.S.No.18/2000 pronounces that the respondents want to make representation to the Government, praying to consider their case for settlement out side the Court. No doubt, if there is any possibility to settle the matter out side the Court, this Court would not stand in the way of any such settlement between the parties.

3. The request of Sri Allam Subbarayudu vide reference 1<sup>st</sup> read above for amicable settlement of the case for one time settlement has been examined carefully in the I & CAD Department as per the directions of Hon'ble High Court of Andhra Pradesh and the matter has been referred to the committee constituted vide reference 4<sup>th</sup> read above for examination and conciliation in terms of the reference 3<sup>rd</sup> read above. The Committee had conducted conciliation meetings and negotiated with the contractor. Finally, the Prl.Secretary, I & CAD Department who is the final authority has conducted conciliation meeting and negotiated with the contractor. After final conciliation by Prl. Secretary, the contractor Sri Allam Subbarayudu has accepted to settle down to an amount of Rs.7,00,000/- (Rupees seven lakhs only) as a lumpsum towards the balance full and final amount (Principal & Interest) and have furnished a notarized declaration accepting the above negotiated amount in respect of the work relating to construction of B.T.U.T. Km.8.525 of Right Main Canal of Priya Darshini Jurala Project, Gadwal Taluk under Agt.No.26/86-87, Dt.5.2.87 and also to withdraw all the legal proceedings in the Hon'ble High Court of A.P. or in any Court in respect of the above said work.

3. The Government, after careful examination of the report of ENC(I), Hyderabad and Chief Engineer (P), Mahabubnagar Vide references 5<sup>th</sup> & 6<sup>th</sup> read above and as per the final conciliation with the contractor held by the Prl. Secretary, I & CAD Department, hereby accord sanction for an amount of Rs.7,00,000/- (Rupees Seven lakhs only) towards full and final settlement in respect of the said work. The said amount shall be debited to the following Head of Account:

**"4701 -01-122-GH.11- (27) - 530/531 O.E. ".**

4. The Chief Engineer(Projects), Mahabubnagar is directed to arrange to pay the amount of Rs.7,00,000/- (Rupees Seven lakhs only) to Sri Allam Subbarayudu, contractor duly deducting the amount that are recoverable on what so ever account”.

5. This order issues with the concurrence of Fin. (W&P) Department vide their U.O.No.5273/F2(2)/08-2, dated 06-01-2009.

To:

The Engineer-in-Chief, Admn. Hyd.

The Chief Engineer (Projects) CAD Deptt., Mahaboobnagar  
The S.E., Priyadarshini Jurala P Circle, Pebbair, Mahabub District.

The Director of Treasuries Accounts, Hyderabad.

The Pay & Accounts Officer, Ga Mahabubnagar District.

The Dy. Pay & Accounts O Secretariat Branch, Hyderabad.

Sri Allaam Subbarayudu, Contr Plot No.101, Maini Residency, 229/C/10/101, Yousuf Hyderabad - 500 045.

Copy to:

The I&CAD (P&B) Deptt., w request to release LOC for Sanctioned amount.

The A.G., A.P., Hyderabad.

The Fin.(W&P/B.G) Deptt., w request to release LOC for Sanctioned amount.

SF/SC.

I & CAD (ARB) DEPT.

### **NOTE FOR CIRCULATION**

The case relates to implementation of the conciliation conducted with Sri Allam Subbarayudu, Contractor by the Prl.Secy. on 26-06-2008 for the work relating to Construction of B.T.U.T. at KM.8.525 of Right Main Canal of Priya Darshinbi Jurala Project, Gadwal was entrusted to him under L.S. Agreement No.26/86-87, dt. 5-2-1987, for the value of work Rs.11,44,376 @ 21.38% Less than E.C.V. and further Agt. was concluded for Rs.1,78,517/- thus the total value of contract is Rs.13,22,893/-.



In his representation dated 16-08-2007, Sri Allam Subba Rayadu has stated that he was awarded to the work relating to Construction of B.T.U.T. at KM.8.525 of Right Main Canal of Priya Darshinbi Jurala Project, Gadwal was entrusted to him under L.S. Agreement No.26/86-87, dt. 5-2-1987, for the value of work Rs.11,44,376 @ 21.38% Less than E.C.V. of Rs.14,55,621 and further Agt. Was concluded for Rs.1,78,517/- thus the total value of contract is Rs.13,22,893/-. During the course of the execution of the work, certain disputes have arisen between the parties. The Contractor has filed a petition in the court of the IV Additional Judge, Civil Court, Hyderabad for appointment of Sole Arbitrator. The learned Judge, appointed Sole Arbitrator to resolve the dispute. The Department filed CMP in Hon'ble High Court of A.P., and obtained stay orders and the Agency was directed to file a regular civil suit. After hearing both the sides, the Hon'ble Senior Civil Judge, Gadwal by Judgment in the civil suit on 9-6-1993 decreed the suit in part for a sum of Rs.9,17,291/-. Aggrieved this, the Govt. have filed A.S.No.3756/03 in the A.P.High Court. While granting stay of execution of decree, the Hon'ble High Court directed the Govt. to deposit a sum of Rs.5.00 lakhs to the credit of O.S.No.18/2000. As he become old, he would like to settle the case as one time settlement as is being done on dimilar cases and as directed by the Hon'ble High Court in A.S.No.3756/2003, dated 29-03-2007. Therefore, he has requested to settle his case amicably so as to put an end to the long pending litigation.

As per the directions of the Hon'ble High Court in its orders dated 29-3-07 in A.S No.3756/03 in O.S.No.18/2000 and the suggestions of Advocate General Vide Lr.No.618/07 dt.16-7-07, a committee for Telangana Region was constituted for an amicable settlement vide Govt.Memo.dated 27-03-2008. The committee in its report dated 21-05-2008, has recommended for a sum of Rs.7,40,512/- and also furnished a declaration in this regard. After final conciliation with the Prl. Secretary, I & CAD on 26-6-08, the Contractor Sri Allam Subbarayudu has given his declaration and acceptance for an amount of Rs.7,00,000/- as a final settlement.

While furnishing the Head of Account, the CE (P), Mahabubnagar has stated that the LOC may be released

initially from the State Contingency Fund and may be re-appropriated to the above Head of Account from any of the project, as no surplus funds are available in other Heads of Jurala Project.

When the matter referred to Law Dept. they have requested to consider to obtain a copy of the judgement and decree dated 09-06-2003 passed by the Sr.Civil Judge, Gadwal in O.S.No.18/2000 and the connected records, if any, examine the case in detail keeping in view the amount already paid, satisfy about the amount arrived at after conciliation and take further action. Based on the remarks of the Law Dept. after obtaining a copy of the said judgement and verifying the figures, preparing a draft order and referred the matter to Finance (W &P) Dept. While cleared the draft order, the Fin. (W&P) Dept. has suggested to replacement of the words "Income tax and seigniorage charges if any" appearing in the last sentence of para (4) of the draft G.O. by "amount that are recoverable on what so ever account". Based on the suggestion of the Fin. (W&P) Dept., prepared a fresh draft order duly incorporating the words.

In view of the above circumstances, it is submitted for consideration and orders whether the conciliation conducted with Sri Allam Subbarayudu, Contractor by the Prl.Secy. on 26-06-2008 for final settlement for an amount of Rs.7,00,000/- for the work relating to Construction of B.T.U.T. at KM.8.525 of Right Main Canal of Priya Darshinbi Jurala Project, Gadwal may be implemented as agreed by the Law Department and Finance Dept.

After orders are passed on para ( ) above, the file may be circulated to Hon'ble Chief Minister through M (M&MI).